INSTRUCTIONS TO STUDENTS

i) Write your name and admission number in the spaces provided above
ii) Sign and write the date of the examination in the spaces provided above.
iii) Answer all questions in the spaces provided.
iv) This paper consists of 6 printed pages
v) Check the question paper to ascertain that all the pages are printed as indicated and no questions are missing.

For Examiner’s Use Only

<table>
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<tr>
<th>Question</th>
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1. Mention four factors to consider before you locate an office. (4marks)

2. Mention four factors that influence decisions on what goods and services to produce. (4marks)

3. Give four problems facing the savings and credit cooperative societies in Kenya. (4marks)

4. Disadvantages of a long chain of distribution.

5. Highlight four sources of diseconomies of scale in a firm. (4marks)

6. Why would a business person find it necessary to advertise their product? (4marks)
7. State four essentials of effective communication. (4marks)

8. Mention four factors that one must take account when deciding on which method of product promotion to use. (4marks)

9. Give four reasons why diagonal communication needs to be encouraged in an organization. (4marks)

10. Explain four differences between hypermarkets and departmental stores. (4marks)

11. Highlight four trends in transport sector in Kenya. (4marks)
12. Give four reasons why a producer may need to have their own warehouse. (4 marks)

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13. State four factors that may hinder effective communication in an organization. (4 marks)

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14. Highlight four features of land as a factor of production. (4 marks)

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15. Give four factors that positively influence internal business environment. (4 marks)

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16. Give four reasons for continued use of human portage. (4 marks)

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17. Mention four components of external business environment. (4 marks)

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18. Mention four methods of government participation in business activities. (4marks)

19. Suggest four circumstances under which a person would prefer a taxi over a matatu. (4marks)

20. Give four uses of a computer in an office. (4marks)

21. Outline four sources of oligopoly power. (4marks)

22. Give four reasons that make insurance companies decline to insure acts of nature. (4marks)
23. Give **four** benefits a country derive from entrepreneurship. (4marks)

24. Identify **four** gaps that may exist in a market leading to a business opportunity. (4marks)

25. Mention **four** factors that limit the number of entrepreneurs in a country. (4marks)